

Ethanol Supply; Now and in the future

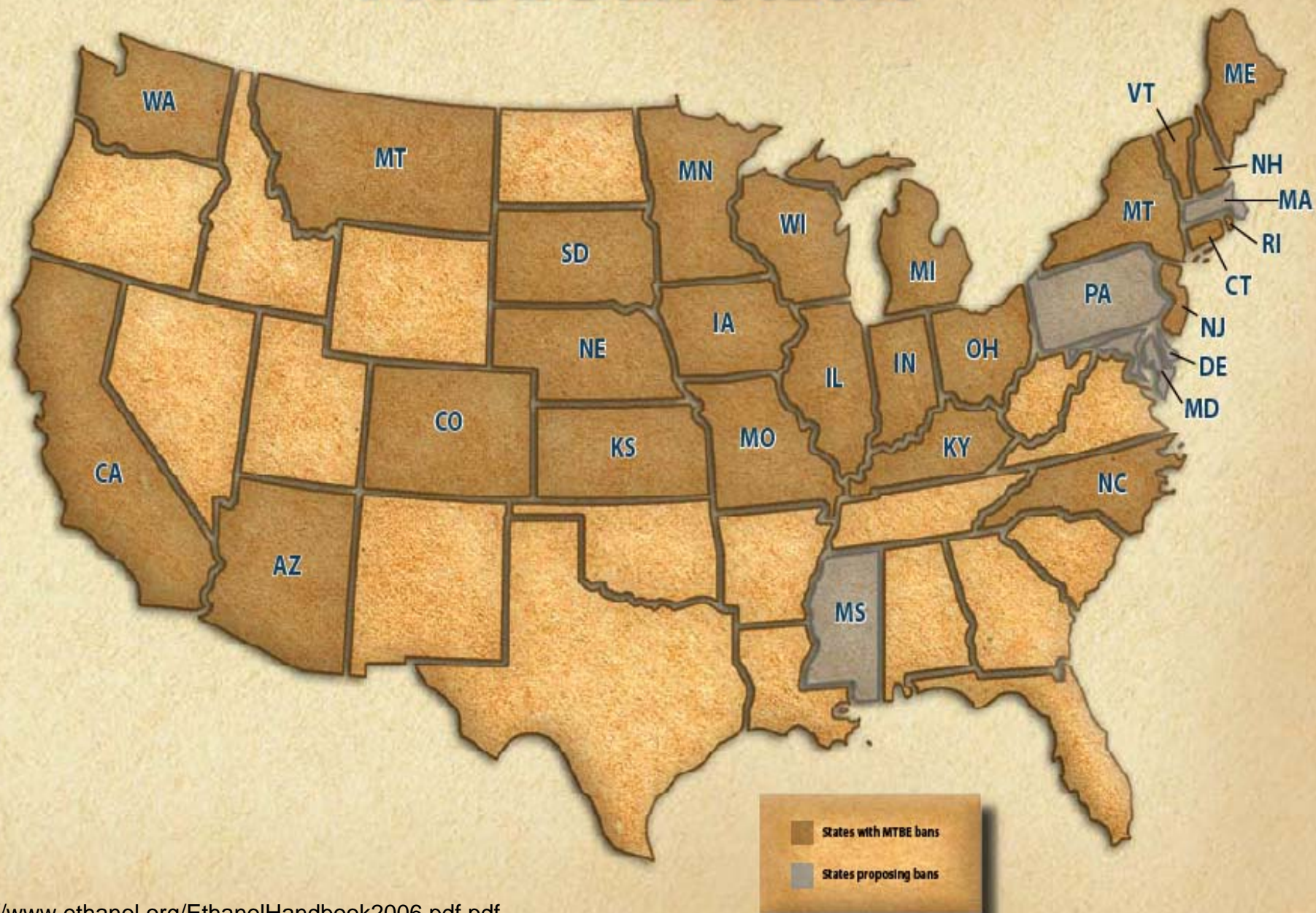
Paul Cummings

Indiana State Department of
Agriculture

Demand

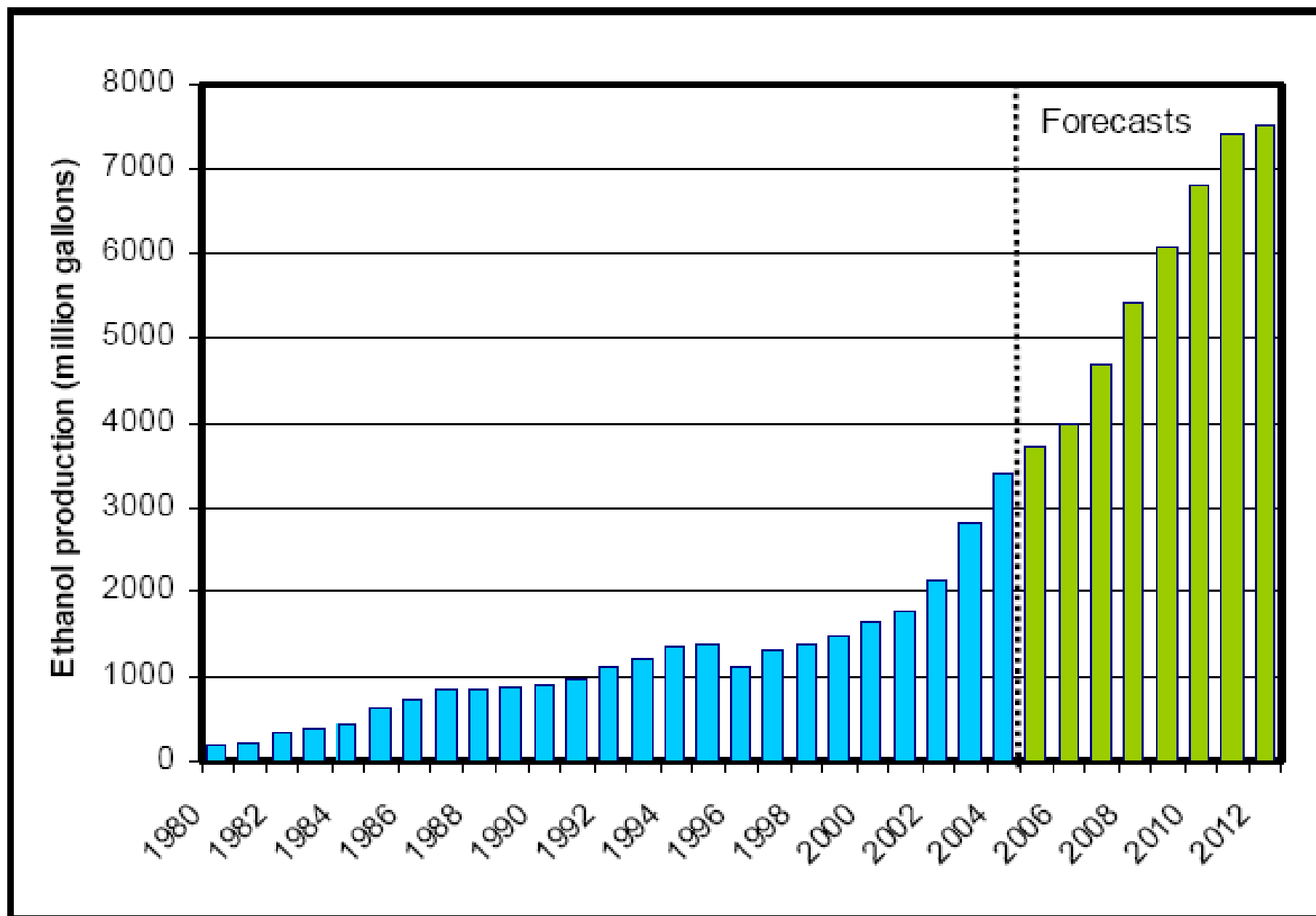
- Tremendous growth in the demand for ethanol products
 - MTBE has been banned in several states
 - MTBE was used as an oxygenator to help gas burn cleaner
 - MTBE has been banned due to persistence in the environment and solubility in water
 - Ethanol is a clean substitute
 - Hawaii, Minnesota, Missouri, Montana, Washington have enacted E10 mandates

MTBE Ban Status



Current Supply (Nationally)

- 3.41 billion gallons of ethanol produced in 2004—nearly two and a half times the 1.47 billion gallons produced in 1999.
- Approximately 4 billion gallons produced in 2005



Future Supply (Nationally)

- Current capacity is 4.78 Billion gallons /yr
- Additional capacity under construction is 1.77 billion gallons /yr
- 7.5 billion gallon goal by 2012
- Even more capacity proposed

New ethanol plants	Town/County	Corn needed in millions of bushels	Estimated production level in million gallons
Putnam Ethanol	Cloverdale/Putnam	22.22	60
Cargill/Demeter	Linden/Montgomery	37.04	100
Iroquois BioEnergy	Rensselaer/Jasper	14.81	40
Central Indiana Ethanol	Marion/Grant	14.81	40
The Andersons	Clymers/Cass	40.01	110
Rush Renewable Energy	Rushville/Rush	22.22	60
Central States Enterprises Inc.	Montpelier/Blackford	40.01	110
ASAlliances Biofuels LLC	Tipton/Tipton	37.04	100
Cardinal Ethanol	Harrisville/Randolph	37.04	100
Premier Ethanol LLC	Portland/Jay	42.00	120
ASAlliances Holdings LP	Mt. Vernon/Posey	37.04	100
New Biodiesel plants	Town/County	Soybeans needed in millions of bushels	Estimated production level in million gallons
Integrity Bio-Diesel	Morristown/Shelby	3.3	5
Evergreen Renewables	Hammond/Lake	3.3	5
Louis Dreyfus	Claypool/Kosciusko	50	80

BIOFUEL PRODUCTION FACILITIES

Current & Announced

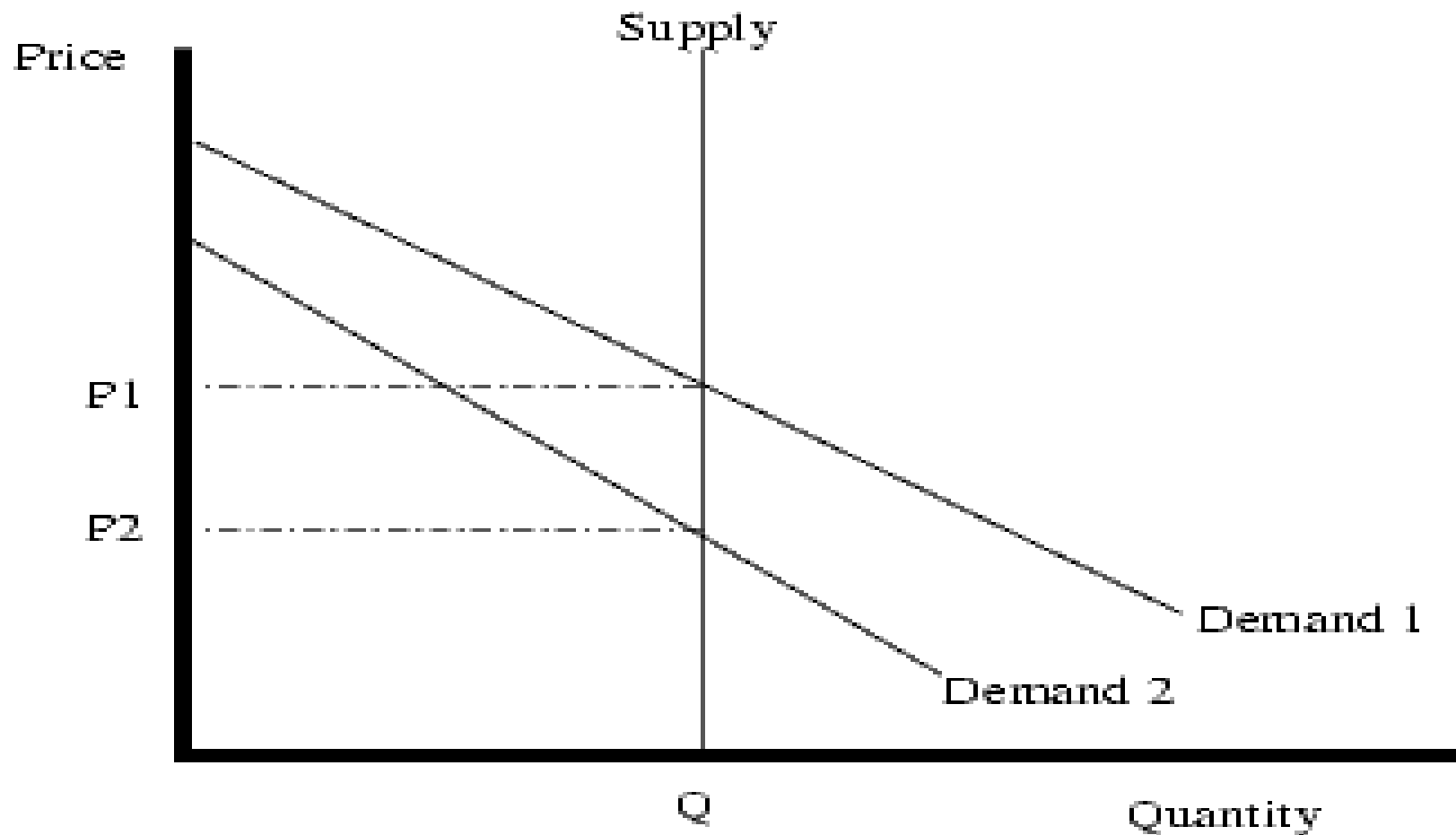
Updated: 5/25/2006



INDIANA OFFICE OF ENERGY
& DEFENSE DEVELOPMENT

www.energy.IN.gov / www.in.gov/energy/pumpmap/

Recent Supply and Demand



Conclusions

- Supply and Demand are both increasing rapidly
- Demand is currently winning which leads to higher prices
- Supply looks to catch up in the foreseeable future leading to a more stable price